

**BOARD LETTER – SUMMARY SHEET  
HEALTH AND MENTAL HEALTH SERVICES CLUSTER**

<b>AGENDA REVIEW</b>	4/22/15
<b>BOARD MEETING</b>	5/26/15
<b>SUPERVISORIAL DISTRICT</b>	ALL
<b>DEPARTMENT</b>	MENTAL HEALTH
<b>SUBJECT</b>	Request approval to establish Published Charges for Fiscal Year 2015-16 for services directly provided by the Department of Mental Health.
<b>PROGRAM</b>	None
<b>DEADLINES</b>	July 1, 2015
<b>COST &amp; FUNDING</b>	None
<b>PURPOSE OF REQUEST</b>	To receive reimbursement for services it provides directly to Medi-Cal patients, DMH must financially screen all patients and bill other payors and therefore must have Board approved charge rates. Further, as required by federal and State law, the Short-Doyle/Medi-Cal program (SD/MC) reimburses DMH at the lesser of its actual costs or its published charges. Approval of the recommended action will allow DMH to assure that its published charges are not less than or exceed its projected costs for FY 2015-16, thereby maximizing SD/MC reimbursement.
<b>SUMMARY/ ISSUES (Briefly summarize program and potential issues or concerns. Identify changes, if any, to level of funding or staffing; how funding will be utilized and why best use; and prior accomplishments.)</b>	DMH develops the Published Charges for a given fiscal year based on the most recent Annual Cost Report submitted by DMH to the State, adjusted by the federal Home Health Agency Market Basket Index (HHAMBI), which is used as a proxy for inflation. Thus, under normal circumstances, the Published Charges for FY 2015-16 would be developed based on actual cost and statistical data reported in the Annual Cost Report for FY 2013-14. However, the State's delay in the FY 2010-11, FY 2011-12, and FY 2012-13 Annual Cost Report process has subsequently delayed the FY 2013-14 Annual Cost Report process. Therefore, DMH has developed Published Charges for FY 2015-16 based on the FY 2012-13 Annual Cost Report, adjusted by three years' worth of the federal HHAMBI. This allows DMH use of the most recent Cost Report submitted to the State as the basis for its rate setting and should assure that charges are high enough to avoid an audit disallowance, but not so high that they disadvantage persons who must pay them.
<b>DEPT. &amp; COUNTY COUNSEL CONTACTS</b>	Chief Finance Officer, Kimberly Nall, (213) 738-4851, <a href="mailto:knall@dmh.lacounty.gov">knall@dmh.lacounty.gov</a> Principal Deputy County Counsel, Stephanie Jo Reagan, (213) 974-0941, <a href="mailto:sreagan@counsel.lacounty.gov">sreagan@counsel.lacounty.gov</a>